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(1937-1987)

May 25, 1988

HAND DELIVERED

RECEIVED

MAY 25 1988

OIL CONSERVATION DIVISION

New Mexico Oil Conservation Commission
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Case No. 9337
Application of Mobil Producing
Texas & New Mexico, Inc.,
for Salt Water Disposal,
Lea County, New Mexico

Gentlemen:

Enclosed for filing in the referenced matter is the original and two copies of Snyder Ranches' Application for Rehearing.

Sincerely,


Michael R. Comeau

MRC:cyc
Enclosures

cc: W. Perry Pearce, Esq., w/enc.

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MAY 25 1988

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9337

THE APPLICATION OF MOBIL PRODUCING
TEXAS AND NEW MEXICO, INC. FOR
SALT WATER DISPOSAL, LEA COUNTY,
NEW MEXICO.

APPLICATION FOR REHEARING

COMES NOW Snyder Ranches, Inc. ("Snyder Ranches"), and, pursuant to § 70-2-25A, N.M.S.A. 1978, hereby makes application for rehearing of the Commission's Order issued May 5, 1988, in the above-captioned case. In support of its application, Snyder Ranches states:

1. On May 6, 1988 the Commission entered its Order authorizing Mobil Producing Texas and New Mexico, Inc. ("Mobil"), "to inject water produced in the North Vacuum Abo Unit Area from the Grayburg, San Andres, Glorieta, Abo, Upper Pennsylvanian and Middle Pennsylvanian formations into the Siluro-Devonian formation in the South Vacuum Devonian pool area through applicant's State Section 27 Well No. 2 located 1980 feet from the North line and 660 feet from the East line, (Unit H), Section 27, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico."

2. Snyder Ranches is the owner of the mineral and surface estate of the NW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 26, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

3. Snyder Ranches was a party of record to the matter in which the previously described Order was entered and is adversely affected by that Order.

4. Paragraph 7 of the Commission's Order finds in pertinent part that "there was no evidence to support a conclusion that underground encroachment will occur." This finding is not supported by substantial

evidence and, indeed, is contrary to the uncontradicted expert testimony in the case to the effect that Mobil's proposed salt water injection will cause underground encroachment upon Snyder Ranches' property.

5. The Order is unlawful in that it authorizes Mobil to commit a trespass on and underneath the lands of Snyder Ranches.

6. The Order is unconstitutional in that its authorization of Mobil's injection constitutes an unlawful taking of Snyder Ranches' property without compensation in violation of the Fifth and Fourteenth Amendments to the United States Constitution and under Article 2, Section 20 of the Constitution of New Mexico.

WHEREFORE, Snyder Ranches prays that the Commission enter its order granting a rehearing for the reasons set forth herein and, upon rehearing, that Mobil's application be denied.

NEAL & NEAL
J. W. Neal, Esq.
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Hobbs, New Mexico 88241
(505) 397-3614

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Santa Fe, New Mexico 87504-0669
(505) 982-4611

By 
Michael R. Comeau

Attorneys for Snyder Ranches, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he did on the 25th day of May, 1988, cause to be hand delivered a true copy of the foregoing Application for Rehearing to:

W. Perry Pearce, Esq.
Montgomery & Andrews, P.A.
325 Paseo de Peralta
Santa Fe, New Mexico 87504-2307

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